BEFORE THE POSTAL RATE COMMISSION WASHINGTON, D.C. 20268-000 SEP 17 4 29 PH '97 POSTAL RATE COMMISSION

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POSTAL RATE AND FEE CHANGES, 1997

Docket No. R97-1

THE McGRAW-HILL COMPANIES' INITIAL INTERROGATORY DIRECTED TO USPS WITNESS PANZAR (MH/USPS-T11-1)

Pursuant to the Commission's rules of practice, sections 25-27, The McGraw-Hill Companies, Inc. submits the following interrogatory to United States Postal Service witness John C. Panzar.

Respectfully submitted,

Squire, Sanders & Dempsey L.L.P.

Imotif W. Barg

1201 Pennsylvania Avenue, N.W.

P.O. Box 407

Washington, D.C. 20044-0407

(202) 626-6600

Counsel for The McGraw-Hill Companies, Inc.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document in accordance with Section 12 of the rules of practice.

Timothy W. Bergin

September 17, 1997

MH/USPS-T11-1. With reference to your response to NAA/USPS-T11-5(b), please explain fully your statement that "[p]ricing each individual subclass at its average incremental cost is no guarantee that groups of services are not cross-subsidized." Among other things, please specify whether "groups of services" refers to groups of subclasses and/or to groups of services (rate categories) within a subclass.